Slide 1 Introduction

"Creating the Future Today"

DON eBusiness Operations Office

Slide 2 Vision

An environment throughout the DoN, both afloat and ashore, where eB technologies, best business practices and web-enabled applications facilitate end-to-end eB operations, resulting in greater efficiencies in accomplishing warfighter and mission support functions.

Speaker Notes: eB is a philosophy for conducting business in an integrated and automated paperless information environment. Its software and hardware tools include Extensible Markup language (XML), Electronic Data Interchange (EDI), E-mail, Electronic Funds Transfer (EFT), Navy Marine Corps Intranet (NMCI), Smart Card, and other web technologies. Both DoD and DON seek to apply these technologies in high payoff areas to improve processes and reduce total resource expenditures. When used properly, eB is a source of significant strategic advantage that will transform business relationships as we know them both within the Defense community and among DoD, other government agencies, and commercial entities. After improving our business processes through reengineering and adoption of best business practices, applying these technologies with an objective to web-enable every application is crucial to achieving the efficiencies possible.

Slide 3 Background . . . The Genesis

Disparate card programs include the following: Travel Card, Purchase Card, Fleet Card, Smart Card, Air Card, ATMs-at-Sea

These programs all experience common problems. Each program needs to centralize operational control of its existing card in addition to its electronic transaction systems.

The Department of the Navy will leverage emerging eBusiness technology to combat these problems.

Speaker Notes: There are many card programs in the Navy with multiple problems (e.g, delinquency payments, not taking advantage of rebates), many of which share the same problems.

The card programs are located at various disparate functional managers. No sharing of lessons learned; failure to achieve efficiency by eliminating redundant infrastructures; no strategic plan to evolve programs thru consolidation; some programs managed at inappropriate level (policy vice execution).

Mr. Nemfakos extended this concept to encompass the DoN taking advantage of emerging eB technology in the commercial sector.

Slide 4 Genesis

The DoN eBusiness Operations Office was established as a catalyst for implementing and integrating eBusiness solutions and to centralize operational control of DoN Card Programs and electronic transaction systems.

The eBusiness Operations Office is supported by the Deputy Under SECNAV and chartered by the SECNAV. Operations are at NAVSUP. Policy remains at SECNAV/OPNAV/HQMC.

Speaker Notes: Just for background, I will cover how we started, our vision, strategy, mission and organization.

- Our two charters are to act as the catalyst for implementing and integrating eBusiness solutions across the Navy and Marine Corps and to centralize control of existing card programs and electronic transmission systems.

- Recognizing these issues, Mr. Nemfakos authorized the establishment of the Department Of the Navy eBusiness Operations Office and the Secretary of the Navy (Mr. Danzig signed the charter).

- NAVSUP's selection as the Navy's eBusiness Operations Office is consistent with our longstanding role as the Navy's general business manager and reflective of our success in related eBusiness initiatives.

- We are the "operational office." eBusiness Policy remains in the National Capitol Region, e.g., DoN CIO, CNO, SECNAV.

Slide 5 Mission

Card Program Management includes the following tasks:

- Manage all DoN card programs

- Consolidate where appropriate

- Manage selected electronic transactions systems

- Metric collection and management program

- Coordinate with customers and financial institutions

Center for eBusiness innovations includes the following tasks:

- Agent for change

- Market research

- Catalog industry and government

- Clearinghouse . . . best business practices

- Identify opportunities . . . new solutions

- Provide consulting services

- Support implementation plans

- Invest in pilot projects

Speaker Notes: The office's many functions can be divided into two broad categories:

1. Hands on management of various DoN Card programs which includes consolidating management, coordinating with customers and financial institutions, and metrics.

2. Center of Innovation for the Navy which includes benchmarking and metrics, consulting and training, and funding and program support for selected eBusiness pilot projects.

Slide 6 Organization

The following organization chart shows the hierarchy of the eBusiness Operations Office:

The Commander of Naval Supply Systems Command, RADM McCarthy, is shown at the top of the chart with the Deputy Commander for eBusiness Operations, RDML Maguire, directly below and the Assistant Deputy Commander, Ms. Karen Meloy (SES) directly below the Deputy Commander.

Speaker Notes: The vital importance of this effort means that we give it all the authority, resources and visibility that we possibly can. We're doing that by:

- Making the Office a new Deputy Commander at NAVSUP, headed by NAVSUP's Vice Commander

- We've secured an SES billet for its Deputy position

- Military manning will total 4-5, including ADSW Reserve support from both the Navy and Marine Corps.

- Civilian manning has risen from 9 to 13 with the pending transfer of the Smart Card Office from DON-CIO.

- Significant contractor support is also included.

Slide 7 Personnel

Eighteen government personnel will make up the eBusiness Operations Office (13 Civilian and 6 Military)

Commercial Partners will have up to 50 people for full staffing and will bring commercial eBusiness expertise

Card Management will include Signal Corporation with PwC as Sub and Financial Card Project Officer, LCDR Carolyn Pasternak.

Speaker Notes: A couple of the issues and challenges that we have faced since standing up the office include the personnel hiring process.

A total of 18 civilian and military full-time personnel will eventually be onboard, only 20 percent of the expected full staff including commercial partners.

The funding delay affected the hiring of the commercial partners with 18 of the expected 50 onboard this fiscal year.

The SES position was affected by the change in administration and is expected to be in place later this summer.

The Smart Card line billet was just transferred and is not filled yet.

Slide 8 Personnel

The following organization chart shows the hierarchy of the 11 eBusiness Operations staff members:

CAPT Christopher Vitt, Director, is shown at the top of the chart. Thomas Heasley, Deputy Director, is listed directly below the Director. The Project Manager of Financial Cards, LCDR Carolyn Pasternak, and the Business Manager, John DePasque, branch off from the Deputy Director.

The following seven staff members branch off from the Project Manager of Financial Cards:

1. James Palmer, Commercial Partner, Team Leader

2. Karen Croft, Commercial Partner, DBA

3. Robert Martin, Commercial Partner, IBA Western Region

4. James Knox, Commercial Partner, CBA

5. Commercial Partner, Alternate CPM for CBA

6. Barbara Hepburn, Commercial Partner, IBA Eastern Region

7. Kimberly Ripka, Commercial Partner, Administrative Support and Librarian.

Slide 9 DoN Card Programs: Current Process Owners

Smart Card/DoD Common—DoN CIO Smart

Access Card (CAC)—Card Office

Travel Card, CBA—CNO N41

Travel Card, IBA—ASN(FM&C)Navy Cash Card—NAVSUP 05

Purchase Card—NAVSUP 02

Fleet Card—NAVFACENGCOM

Air Card—NAVPETOFF

Powertrack—NAVTRANSCOM

Speaker Notes: These are the existing major DoN card programs and the current functional owner. These cards will be transitioned to the Card Management Group. Smart Card/CAC and Travel Card will be the first programs transitioned in Fiscal Year 2001.

CAC is critical and essential to success of NMCI as it contains the Public Key Information for every Active/Reserve Sailor and Marine to access the Navy Intranet—PKI is required to send/receive email; sign on to PC; validate user ID, physical building access and more.

The common theme among Travel and Purchase cards: delinquent or overdue accounts; lack of robust and simple Internet-based reconciliation and payment systems, poor integration with legacy financial systems, lack of program metrics and "scorecard" reporting, and lack of efficiency caused by duplicate and overlapping infrastructure, e.g., an Agency Program Coordinator (APC) for each program at a command rather than one consolidated APC for a combined program.

Consolidated card program management in the DoN eB Ops Office will allow improved efficiencies through application of new eB business processes.

Slide 10 DoN Card Programs, Program Transition Plans

- Travel Card August 16, 2001

- Smart Card/Common, Access Card (CAC) October 1, 2001

- Purchase Card, Navy Cash Fiscal Year 2002

Speaker Notes: Smart Card/CAC and Travel Card will be the first programs transitioned in Fiscal Year 2001. Smart Card/CAC is to be transitioned by October 2001; Travel Card by August 2001.

Functional info regarding CAC includes name, SSN, Date of Birth, blood type, and employment status. Applications with respect to functional application for the Navy include food service, manifest tracking, warrior readiness and weapons issuance.

Remaining card programs are planned for transition to DoN eB in fiscal year 2002.

Purchase Card transition is still its infancy. We anticipate the transition to begin during the second quarter of fiscal year 2002. No other plans have been discussed.

Slide 11 POA&M for Travel Card Transition

Commercial Partner Staff In Place—1 JuneTravel Card APC Symposium—12-14 June, San Diego, CaliforniaEAGLS Training @ BOA Training Lab—19-21 June, Norfolk, Virginia Travel Card IBA Off-site @ ASN (FMO)—25-29 June, Washington, DC

Travel Card CBA Off-site @ CNO N41—16-20 July, Washington, DC

GSA SmartPay Conference—14-16 August, Miami, Florida

Program Transition/Operational—17 August

Slide 12 Current Status . . . Benchmarking, Standards and Metrics

Knowledge Management System (KMS): Web accessible for client research

Standards: Data warehouse for Communication/DoD standards

University Research Partners: Academia Partnership including leading edge technical knowledge (GW, Carnegie-Mellon) and Student Career Experience Program

Rapid Agile Prototype Technical Organization (RAPTOR): 5-person demo team, rapid field prototype IT/eB solutions, and training by C-Bridge Corp affiliated with MIT.

Speaker Notes: DoN clients will be able to access the Knowledge Management System (KMS) and Data Warehouse via the web. The KMS will include information related to IT benchmarking, commercial and Government best practices, policy and standards and will be a clearinghouse for DoN IT initiatives and pilots.

Navy 810 Student Interns are providing research support of key IT/eBusiness topics (Customer Relationship Management, Integrated Data Environments, Data warehousing and Middleware). These students are also exploring academic partnerships between their prestigious universities and the DoN eBusiness office.

Through the Student Career Experience Program, we have hired two Pennsylvania State University students. They are seniors enrolled in Information Technology curriculums. They have made significant contributions, providing comparative analysis of software tools and cataloging vendor solution information for the KMS.

The RAPTOR (Rapid Agile Prototype Technical Organization) is a five-member team that will provide prototypes of solutions in extremely narrow timeframes (two to three days), making it possible to demonstrate IT functionality versus relying upon "PowerPoint" descriptions of an IT vision. C-Bridge Internet Solutions of Cambridge Massachusetts will train the team. C-Bridge Internet Solutions is affiliated with MIT.NOTE: FMSO is currently in the process of selecting the individuals that will participate in RAPTOR.

Slide 13 Pilot Projects: The Evaluation Process

Pilot Submissions include 362 projects and 85 activities.

Evaluation Criteria is based on the following:

- Breadth of impact, cost and time to implement

- Impact on DoN strategy and eBusiness strategy

- Expert Choice software utilized

- Repeatable, methodical, structured process

Speaker Notes: We received 362 projects. The cut-off date for this initial review was 30 December 2000. There were 85 activities across the Navy and USMC: 92.3 percent Navy and 7.7 percent USMC.

The evaluation process was a rigorous multi-step process. Criteria included determination of whether the project was in fact a pilot. We asked, "Does it prove or demonstrate a concept?" Implementation of a proven concept, complaints with no solutions, and webifying an existing product or purchase of hardware/software were not considered pilots.

Breadth of impact (DoN, Major Claimant, activity), cost and time to implement were factors.

Impact on DoN strategy and eBusiness Strategy

Expert Choice Software was used to rate and rank pilots, with assistance from LMI. An in-house contract was already in place so it was easy to begin the process.

Portfolio Analysis was the next step and included looking at claimant mix as well as the mix of technologies applied.

Slide 14 Evaluation Process

Step 1: Pilot Determination

- Manual Review "Is this a Pilot Project?"

Step 2: Initial Assessment – Impact

- Cost to Implement

- Time to Implement

- Breadth of Application

Step 3: Detailed Assessment

- Impact

- Support DoN Strategy

- Support Navy eBusiness Strategy

- Executable

- Technology Applied

Slide 4: Portfolio Development

- Ensure Equitable Distribution Major Claimant Coverage Technology Mix

Slide 15 Fiscal Year 01

The following is a list of Pilot Projects followed by the commands that submitted them:

1. Medical Appointments on the Web, Naval Medical Center (San Diego)

2. Web-Based Automated Confidential Financial Disclosure (ACFD) Process, USMC

3. Smart Web Move, FISC San Diego

4. RF (Smart) Storeroom, NAVSUP

5. Deployment Logistics Program, NRCC London

6. GATOR Link, USMC

7. Maps & Charts Tracking system, CINCPACFLT

8. Pay & Personnel Ashore, CINCLANTFLT

Speaker Notes: Due to funding constraints, the number of pilots sponsored this fiscal year was pared down to 8. In the upcoming fiscal years, the DoN eBusiness Office will be sponsoring more projects. The following provides a brief description of the Pilot Projects:

1. Web-Med Appointments – Web based appointment requests, and secure email between patient and physician.

2. ACFD – Design and implement a secured, web-based, automated Confidential Financial Disclosure Process.

3. Smart Web Move – Internet-based application that will allow Navy service members to receive customized HHG entitlements counseling and make move arrangements via the worldwide web 24x7.

4. RF Storeroom (Smart Storeroom) – Use radio frequency technology to automate inventory, issue, and receipt processing functions of repair parts onboard U.S. Navy ships.

5. Deployment Logistics – Assists the war fighter afloat to manage the logistics of a deployment, in addition to facilitating the exchange of information between a ship/submarine, key logistics, and operational activities (both afloat and ashore).

6. GATOR – Evaluates the potential for commercial communication tools/Internet technologies to reduce costs and prevent schedule delays during tests and increases combat readiness through telecomms/Internet technologies to exchange data between contractors, commercial suppliers, and government program management offices.

7. Maps and Charts – A web-based database to enable Fleet CINCs/commanders, TYCOMs, and DLA to view and manage Fleet allowances for maps, charts, and other geospatial products required for navigation, training, and OP/CONPLAN execution.

8. Pay and Personnel – In support of DD-21, all military pay and travel services for the shipboard sailor will be relocated to a supporting shore activity that will submit transactions to the appropriate DFAS.

Slide 16 What's Next

Transition Card Program Management – fiscal year 2001

- Smart Card/DoD Common Access Card

- Travel Card

Knowledge Management

- First source for eBusiness information

- Commercial best practices

- Knowledge Exchange Gateway (KEG)—Web based

Pilot Projects

- Finish fiscal year 2001 Pilots, Prepare fiscal year 2002 pilots

- Analyze key metrics (i.e., BCA, ROI)

- Identify enterprise-wide implementation candidatesSpeaker Notes: DoN clients will be able to access the Knowledge Management System (KMS) via the web. The KMS will include information related to IT benchmarking, commercial and Government best practices, policy and standards, and it will be a clearinghouse for DoN IT initiatives and pilots. The information contained in the KMS is derived from Vendor Capabilities Briefs along with student intern and commercial partner research. KMS will also capitalize on information (policy and standards) available on related web sites.

We are engaging with clients on pilots and need to establish a contractual relationship with each client. There are two scenarios as we see it: 1) The client will want our assistance with further development of the pilot and use our support contracts or 2) The client will just want the funding and will pursue. The contract will help to ensure appropriate use of funding by the client. Our intention is to set up fixed price type contractual agreements, with no room for cost over runs.

Once we execute the pilot projects, another press release will be generated. We also anticipate a press conference that will be held to publicize the project execution.

Aggressively working transition plans for Smart and Travel cards. Transition efforts for fiscal year 2002 will include Purchase Card, Fleet Card and Air Card as well as an electronic transaction system, Powertrack. Future strategic vision is to evolve to a single financial card and a single "access card," CAC. CAC is the current technological keystone to NMCI (PKI, Authentication, Security).

Slide 17 Summary

DoN recognizes the need to embrace eBusiness!

The DoN eBusiness Operations Office Plan includes:

- Transition Card Management

- Evaluation of fiscal year 2002 Pilot Projects

- Establishing a KEG and New Web Site by October 2001

"Catalyst, Consultant and Clearinghouse"

Speaker Notes: The Navy/Marine Corps team has recognized the need to embrace today's eB/eC technologies and apply them to our business processes.

The DoN eBusiness Operations Office will focus on:

- Navy increasing its use of commercial technologies

- Leveraging commercial and government success to reengineer processes

- Centralizing management of the various card programs within the Navy and Marine Corps.

Slide 18 POCs

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